

State of California  
BOARD OF EQUALIZATION  
SALES AND USE TAX REGULATIONS

**Regulation 1550. REUPHOLSTERERS.**

*References:* Sections 6006, 6012, 6015, Revenue and Taxation Code.  
Fabrication Generally, see Regulation 1526.

**(a) IN GENERAL.** This regulation applies to reupholsterers in general, including but not limited to, reupholsterers of household furniture, automobiles, boats, and airplanes. Effective January 1, 1975, the term "reupholsterers" as used in this regulation includes box spring and mattress renovators.

Reupholsterers generally perform four functions when completing a contract for their services.

- (1) The sale of material and parts.
- (2) The fabrication of back and seat cushions and the cutting and sewing of new material used for upholstery covering.
- (3) Labor for stripping old materials and applying new material to tangible personal property.
- (4) Repair labor such as retying springs and refinishing the exposed wooden areas of furniture, i.e., arms, legs, etc.

**(b) SALES OF MATERIALS AND PARTS.** Reupholsterers are the retailers of materials and parts they sell in connection with reupholstering jobs. These include but are not limited to: fabrics for furniture covering, cushions, foam rubber, padding, burlap, dust covers, seat decking, spring units, legs, arms and casters.

Reupholsterers also are the retailers of items with small unit values or furnished in small quantities on any particular job. These are commonly referred to as findings and include such items as brads, buttons, cardboard strips, edge roll, edge wire, glue, spring clips, tacks, tacking strips, thread, twine, web cord and varnish. If charges for the findings are not segregated, the tax on such findings may be computed and reported in the manner specified in Paragraph (e) below.

**(c) FABRICATION LABOR.** Charges for fabrication labor are taxable. Cutting and sewing materials for coverings for furniture being reupholstered, including back and seat cushions, are steps in the process of completing a new article and are fabrication labor. Labor for making new furniture from material furnished directly or indirectly by the customer is fabrication labor.

**(d) EXEMPT LABOR.** Labor charges for repairing furniture and for applying new materials to furniture are exempt providing such charges are segregated in reupholsterers' records from charges for materials and fabrication labor.

**(e) COMPUTATION OF EXEMPT LABOR.** Reupholsterers are required to segregate material charges (other than charges for findings) from labor charges in their records. If no segregation is made between taxable fabrication labor and exempt installation or repair labor, it will be considered that 80 percent of total labor charges represent exempt labor. The remaining 20 percent of total labor charges will be regarded as the measure of taxable fabrication labor and findings.

**(f) METHOD OF REPORTING.** Reupholsterers who segregate in their records the sales price of materials, charges for fabrication labor, and charges for exempt labor may report their taxable sales by reporting total sales less a deduction for exempt labor.

If fabrication labor and sales of findings are not segregated in the reupholsterers' records, the allowable deduction for exempt labor will be an amount equal to 80 percent of the total labor charges.

A combination of the two reporting methods cannot be used for the same reporting period.

## Regulation 1550. (Continued)

*History:* Adopted November 3, 1969, effective December 5, 1969.

Amended October 17, 1973, effective November 18, 1973.

Amended November 13, 1974, effective December 15, 1974. Included box spring and mattress renovators as reupholsterers.

Amended December 7, 1978, effective February 18, 1979. Deletes subsection (f) which pertained to Billings of Customers and which required that amounts represented to customers on sales tax reimbursement must be separately stated on the sales invoice. Renumber former subsection (g) to (f).

*Regulations are issued by the State Board of Equalization to implement, interpret or make specific provisions of the California Sales and Use Tax Law and to aid in the administration and enforcement of that law. If you are in doubt about how the Sales and Use Tax Law applies to your specific activity or transaction, you should write the nearest State Board of Equalization office. Requests for advice regarding a specific activity or transaction should be in writing and should fully describe the facts and circumstances of the activity or transaction.*